



**WATERBURY  
HOSPITAL**  
H E A L T H • C E N T E R  
*caring makes a world of difference*

**TESTIMONY OF  
John H. Tobin, MPH, DMan  
President and CEO  
Waterbury Hospital  
BEFORE THE  
APPROPRIATIONS COMMITTEE  
Wednesday, February 18, 2009**

**HB 6365, An Act Concerning The State Budget For The Biennium Ending June 30, 2011,  
And Making Appropriations Therefor**

Waterbury Hospital is pleased to have the opportunity to provide testimony today on **HB 6365, An Act Concerning The State Budget For The Biennium Ending June 30, 2011, And Making Appropriations Therefor.**

Waterbury Hospital is open to all, regardless of ability to pay, twenty-four hours per day, seven days per week, all year long. Unfortunately, the ability of our hospital to meet the healthcare needs of our community is being severely stressed by the current economic crisis. Every day the economy worsens and the number of uninsured and those enrolling in Medicaid and SAGA grows.

Waterbury Hospital knows all too well how difficult it is to operate in this economic environment and make hard choices between competing priorities. We sincerely thank Governor Rell for submitting a budget proposal that maintains the Medicaid provider rate increases enacted in 2007 as well as preserves the Uncompensated Care and Urban DSH Pools.

However, HB 6365 also proposes Medicaid cuts totaling \$81.6 million in 2010 and \$89.7 million in 2011. Each of these reductions will have a negative impact upon our hospital, and make it more difficult for people to find care in the appropriate setting and enroll and remain in Medicaid. In these difficult economic times, it is more important than ever that the state is steadfast in its commitment to help those who cannot help themselves.

With Congress poised to deliver unprecedented Medicaid relief to Connecticut, the state has the opportunity to maintain eligibility and coverage, make another down payment on bringing provider rates closer to covering the cost of care, and at the same time contribute significantly to balancing the state budget. It makes no sense to cut Medicaid and refuse this federal lifeline.

It has been well documented that Waterbury Hospital is financially distressed and that the City of Waterbury compares unfavorably in all socio-economic indicators. The underpayments attributable to the existing Medicaid and SAGA payment structure have contributed significantly to our Hospital's financial distress. Not only can we not afford reductions to the existing payment structure, but we need rate relief for these programs to avoid long term financial structural deficiencies.

Please reject these proposed cuts, move SAGA into Medicaid via the SAGA waiver, and provide some desperately needed rate relief to providers. Thank you for your consideration of our position.